

Message Text

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15

ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CEA-01 CIAE-00 COME-00 EB-07

FRB-03 INR-07 NSAE-00 CIEP-01 SP-02 STR-04 TRSE-00

LAB-04 SIL-01 SAM-01 OMB-01 NSC-05 SS-15 TAR-01 INT-05

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R 161714Z APR 75

FM USMISSION EC BRUSSELS

TO SECSTATE WASHDC 8693

INFO ALL EC CAPITALS 560

LIMITED OFFICE USE EC BRUSSELS 3381

E.O. 11652: NA

TAGS: EIND, ETRD, EEC

SUBJECT: EC COMMISSION TAKING "WAIT AND SEE" ATTITUDE ON STEEL

REF: EC BRUSSELS 2927

1. ON APRIL 16 THE MISSION SPOKE WITH PETRICK, EC COMMISSION DIRECTOR FOR STEEL, REGARDING POSSIBLE COMMISSION INITIATIVES IN RESPONSE TO THE FALL IN EUROPEAN STEEL PRODUCTION AND PRODUCT PRICES. PETRICK SAID THAT THE COMMISSION HAS ADOPTED A "WAIT AND SEE" ATTITUDE AND AT PRESENT NO INTERVENTION (PRODUCTION QUOTAS, THE SETTING OF MINIMUM PRICES, QUANTITATIVE IMPORT RESTRICTIONS) IS CONTEMPLATED.

2. THE COMMISSION HAS ESTABLISHED AN ELABORATE INFORMATION-GATHERING SYSTEM AND IS WATCHING THE STEEL SITUATION MORE CLOSELY THAN IT USUALLY DOES. PETRICK SAID THAT KNOWLEDGE BY STEEL BUYERS THAT THE COMMISSION IS FOLLOWING THE STEEL MARKET VERY CLOSELY MAY INCITE BUYERS, WHO ARE CURRENTLY HOLDING OFF IN ANTICIPATION OF LOWER PRICES, TO RENEW THEIR PURCHASING. KNOWLEDGE OF COMMISSION SURVEILLANCE MAY ALSO ACT AS A PSYCHOLOGICAL BRAKE

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ON SELLERS WHO HAVE BEEN CUTTING PRICES.

3. PETRICK SAID THAT THE COMMISSION, WHICH DOES NOT
LIKE TO INTERVENE IN THE STEEL MARKET, IS HOPEFUL
THAT MEMBER-STATE REFLATIONARY POLICIES WILL PROP
UP THE STEEL MARKET IN THE COMING MONTHS AND THAT
INDUSTRY SELF-DISCIPLINE WILL PREVENT PRICE CUTTING.
COMMISSIONER SPINELLI WILL BE MEETING WITH EUROPEAN
STEEL INDUSTRY OFFICIALS ON APRIL 28 AND AT THAT
TIME THERE WILL BE A FURTHER ASSESSMENT OF THE
SITUATION.
MYERSON

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: COAL, STEEL, PRODUCTION DATA, TRADE CONTROLS, PRICES, MEETINGS
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Draft Date: 16 APR 1975
Decaption Date: 01 JAN 1960
Decaption Note:
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Disposition Approved on Date:
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Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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05 JUL 2006

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TAGS: EIND, ETRD, US, EEC
To: STATE
Type: TE
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